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State of Idaho

Legislative Services Office

Management Report

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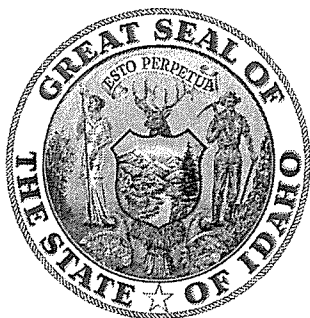
A communication to the Joint Finance-Appropriations Committee

## **STATE BRAND BOARD**

### **FY 2006, 2007, and 2008**

**Report IC33108**  
**Date Issued: April 20, 2009**

*Serving Idaho's Citizen Legislature*



Don H. Berg, Manager

**Idaho Legislative Services Office  
Legislative Audits Division**

**STATE BRAND BOARD**

## **SUMMARY**

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### **PURPOSE OF MANAGEMENT REVIEW**

We conducted a management review of the State Brand Board covering the fiscal years ended June 30, 2006, 2007, and 2008. Our review covered general administrative procedures and accounting controls to determine that activities are properly recorded and reported.

The intent of this review was not to express an opinion, but to provide general assurance on internal controls and to raise the awareness of management and others of any conditions and control weaknesses that may exist and offer recommendations for improvement.

### **CONCLUSION**

We did not identify any significant conditions or weaknesses in the general administrative and accounting controls of the office.

### **FINDINGS AND RECOMMENDATIONS**

There are no findings and recommendations in this report or in the prior report.

A copy of this report is available at <http://www.legislature.idaho.gov/audit/auditsummaries.htm> or by calling 208-334-4832.

### **AGENCY RESPONSE**

The State Brand Inspector has reviewed the report and is in agreement with its contents.

### **FINANCIAL INFORMATION**

The Board operates with the use of two funds in accordance with Idaho Code. Operating Fund 0229-15 receives money from brand inspection certificates, ownership and transportation certificates, and collections for other entities. The money is used for administering Board operations, principally brand inspections, and distributing collections to other entities. Recording-Holding Fund 0229-16 receives money from brand recording and renewals and the interest earned from investment of the fund's balance. The money is transferred to the Operating Fund when needed. The following financial data is for informational purposes only.

### STATE BRAND BOARD – FINANCIAL SUMMARY

<u>Fiscal Year 2008</u>	<u>Operating Fund 0229-15</u>	<u>Holding Fund 0229-16</u>
Beginning Cash Balance	\$314,450	\$546,252
Receipts	2,397,979	303,630
Transfers from Holding Fund	343,000	0
Interest Income	0	19,364
Collections from Other Entities	1,897,610	0
Total Funds Available	<u>\$4,953,039</u>	<u>\$869,246</u>
Disbursements		
Personnel Costs	\$1,964,541	\$0
Operating Expense	367,808	0
Capital Outlay	61,038	0
Transfers to Other Entities	2,198,603	0
Transfers to Operating Fund	0	343,000
Total Disbursements	<u>\$4,591,990</u>	<u>\$343,000</u>
Ending Cash Balance	<u>\$361,049</u>	<u>\$526,246</u>

This report is intended solely for the information and use of the State of Idaho and the State Brand Board and is not intended to be used by anyone other than these specified parties.

We appreciate the cooperation and assistance given to us by the State Brand Inspector, Larry Hayhurst, and his staff.

#### **ASSIGNED STAFF**

Eugene Sparks, CPA, GGFM, Managing Auditor

Craig E. Weathers, CPA, CIA, CFF, In-Charge-Auditor

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# AGENCY RESPONSE

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# STATE OF IDAHO

## IDAHO STATE POLICE

### IDAHO BRAND BOARD

April 10, 2009



Colonel G. Jerry Russell  
Director

C.L. "Butch" Otter  
Governor

Larry A. Hayhurst  
State Brand Inspector

Tom Basabe  
Board Chairman

Mr. Don H. Berg  
Manager  
Legislative Audits  
P.O. Box 8320  
Boise, Idaho 83720-0054

RE: Legislative Audit FY 2006, 2007 and 2008

Dear Mr. Berg,

I would like to thank you and your staff, Managing Auditor Eugene Sparks and In-Charge-Auditor Craig E. Weathers for our Audit FY 2006 thru FY 2008.

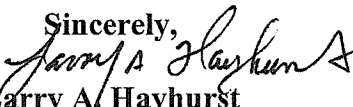
My expectations of a professional audit from your shop was once again fulfilled by your staff and especially, In-Charge-Auditor Craig Weathers

I don't know what it costs to keep an asset like Craig Weathers on your staff, but I can tell you he is worth every cent and then some. I can also assure you I'm not making that comment because we had no new findings this go around, I am saying it because the fact is, that guy is excellent. He is a professional, extremely thorough, straightforward and did not hesitate asking the hard questions.

Most of all, we appreciated Mr. Weather's knowledge, experience and how quickly he was able to grasp the function of the Idaho Brand Board with a common sense approach. Clearly, this was not Craig's first BBQ either... At any rate, it really was a pleasure for all of us here at the Idaho Brand Board to work and learn from such a fine individual.

Mr. Berg, like I said after our last Audit and this one wasn't any different, we all got to learn something new and have come away from this audit with valuable information/direction that keeps us on the straight & narrow, armed with the tools to do a better job protecting the Idaho Livestock Industry's hard earned monies.

We will look forward to seeing you folks again. Thank You!

Sincerely,  
  
Larry A. Hayhurst  
State Brand Inspector

P.O. Box 1177, Meridian, Idaho 83680-1177 • (208)884-7070 • FAX (208)884-7097

EQUAL OPPORTUNITY EMPLOYER

# APPENDIX

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## HISTORY

Prior to 1905, the official recording of livestock brands during the territorial period and early statehood was done on the county level. Recording brands as a State responsibility began in 1905, with legislation that made the State Controller the ex-officio State Recorder of Brands. The following is a chronology of the State agency responsible for recording livestock brands to their owners.

1905-1911	State Controller – Session Laws 1905, page 352
1911-1919	State Veterinary Surgeon – Session Laws 1911, Chapter 91, page 338
1919-1939	Department of Agriculture – Session Laws 1919, Chapter 8, page 43
1939-1943	State Brand Inspector and Bureau of Brands and Marks within the Department of Agriculture – Session Laws 1939, Chapter 268, page 661
1943-1947	Idaho State Police – Session Laws 1943, Chapter 70, page 147
1947-1974	State Brand Board (State Brand Inspector) established, and all duties transferred to the Brand Board – Session Laws 1947, Chapter 88, page 149
1974-Present	State Brand Inspector placed under State Brand Board within Idaho State Police

The Brand Board and the Idaho State Police provide reciprocal support in some complex areas. Currently, the Board is generally operating as a separate agency except in the areas of budgeting, major purchases, and personnel actions, where it is given assistance by the Idaho State Police. Brand inspectors in the field assist law enforcement agencies in cases of emergency, such as instances where a traffic accident occurs and the brand inspector is the first to arrive on scene.

## STATUTORY AUTHORITY

Statutory authority for the Brand Board was recodified in 1988, and is now found in Title 25, Chapter 11 of the Idaho Code.

## PURPOSE

The purpose of the Board is to prevent and, where possible, reduce the theft and loss of livestock in Idaho. In 1974, the mandatory brand inspection system was enacted as a part of the revised brand law, wherein proof of livestock ownership must be shown before livestock is transferred to a new owner.

## FUNDING

The Board receives its funding from fees for livestock inspections, registrations, transfers and renewal of brands, sale of brand books, and interest on brand and renewal fees. Fees are received by the Board for collecting and remitting funds to the Idaho Beef Council, the Idaho Horse Board, and the Idaho Department of Agriculture.

## ORGANIZATION

The Board consists of five members appointed by the Governor to five-year terms. The Board appoints the State Brand Inspector, who manages the Board's daily operation. The State Brand Inspector and clerical staff are located in Meridian. The total number of staff employed by the Board in fiscal year 2008 was 55, of whom 39 are permanent and 16 are part-time. The Board has four district offices located in Caldwell, Idaho Falls, Lewiston, and Twin Falls. Each district has a supervisor to whom the brand inspectors report.